

Holton Public Schools  
**SINGLE AUDIT OF FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS**  
Financial Report and  
Independent Auditor's Reports  
June 30, 2024



**C O N T E N T S**

FINANCIAL REPORT AND INDEPENDENT AUDITOR’S REPORTS

INTERNAL CONTROL AND COMPLIANCE REPORTS

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*.....1

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Holton Public Schools  
Holton, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holton Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Holton Public Schools’ basic financial statements, and have issued our report thereon dated September 12, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Holton Public Schools’ internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Holton Public Schools’ internal control. Accordingly, we do not express an opinion on the effectiveness of Holton Public Schools’ internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as **Findings 2024-001** and **2024-002** that we consider to be significant deficiencies.

Board of Education  
Holton Public Schools  
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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Holton Public Schools’ financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Holton Public Schools’ Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Holton Public Schools’ response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Holton Public Schools’ response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hart, Michigan  
September 12, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Holton Public Schools  
Holton, Michigan

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Holton Public Schools’ compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Holton Public Schools’ major federal programs for the year ended June 30, 2024. Holton Public Schools’ major federal programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Holton Public Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Holton Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Holton Public Schools’ compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Holton Public Schools’ federal programs.

## Report on Compliance for Each Major Federal Program—Continued

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Holton Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Holton Public Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Holton Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Holton Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Holton Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Education  
Holton Public Schools  
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**Report on Internal Control Over Compliance—Continued**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Holton Public Schools as of and for the year ended June 30, 2024, and have issued our report thereon dated September 12, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.



Hart, Michigan  
September 12, 2024

Holton Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education</i>									
Passed through Michigan Department of Education:									
Title I Grants to Local Educational Agencies	84.010A								
231530 2223		\$ 245,673	\$ 40,513	\$ -	\$ 40,513	\$ 245,673	\$ -	\$ -	\$ -
231530 2324		243,707	-	-	209,497	-	243,707	34,210	-
		<u>489,380</u>	<u>40,513</u>	<u>-</u>	<u>250,010</u>	<u>245,673</u>	<u>243,707</u>	<u>34,210</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367A								
230520 2223		38,918	5,250	-	5,250	38,918	-	-	-
240520 2324		34,569	-	-	33,934	-	34,569	635	-
		<u>73,487</u>	<u>5,250</u>	<u>-</u>	<u>39,184</u>	<u>38,918</u>	<u>34,569</u>	<u>635</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424A								
230750 2223		18,155	3,096	-	3,096	18,155	-	-	-
240750 2324		18,955	-	-	15,613	-	18,955	3,342	-
		<u>37,110</u>	<u>3,096</u>	<u>-</u>	<u>18,709</u>	<u>18,155</u>	<u>18,955</u>	<u>3,342</u>	<u>-</u>
Education Stabilization Fund									
Elementary and Secondary School Emergency Relief Fund	84.425D								
COVID-19 213712 20-21		862,408	53,952	-	53,952	862,408	-	-	-
COVID-19 213782 2223		41,840	41,840	-	41,840	41,840	-	-	-
		<u>904,248</u>	<u>95,792</u>	<u>-</u>	<u>95,792</u>	<u>904,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
American Rescue Plan—Elementary and Secondary School Emergency Relief	84.425U								
COVID-19 213713 2122		1,938,226	30,382	-	602,029	1,314,264	600,414	28,767	-
American Rescue Plan—Homeless II	84.425W								
COVID-19 211012 2122		13,188	338	-	3,096	338	2,758	-	-
		<u>13,188</u>	<u>338</u>	<u>-</u>	<u>3,096</u>	<u>338</u>	<u>2,758</u>	<u>-</u>	<u>-</u>
Total Education Stabilization Fund		<u>2,855,662</u>	<u>126,512</u>	<u>-</u>	<u>700,917</u>	<u>2,218,850</u>	<u>603,172</u>	<u>28,767</u>	<u>-</u>
Total passed through Michigan Department of Education		<u>3,455,639</u>	<u>175,371</u>	<u>-</u>	<u>1,008,820</u>	<u>2,521,596</u>	<u>900,403</u>	<u>66,954</u>	<u>-</u>



Holton Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Education—Continued</i>									
Passed through Muskegon Area Intermediate School District:									
Special Education Cluster									
Special Education—Grants to States 240450 23-24	84.027A	\$ 64,180	\$ -	\$ -	\$ 64,180	\$ -	\$ 64,180	\$ -	\$ -
Education Stabilization Fund									
American Rescue Plan—Homeless II COVID-19 211012 2122	84.425U	2,725	-	-	2,725	-	2,725	-	-
Total passed through Muskegon Area Intermediate School District		66,905	-	-	66,905	-	66,905	-	-
Total U.S. Department of Education		3,522,544	175,371	-	1,075,725	2,521,596	967,308	66,954	-
<i>U.S. Department of Agriculture</i>									
Passed through Michigan Department of Education:									
Local Food for Schools Cooperative Agreement Program 230985 2024	10.185	17,776	-	-	17,776	-	17,776	-	-
Child Nutrition Cluster									
School Breakfast Program									
231970	10.553	222,172	7,139	-	36,563	192,748	29,424	-	-
241970		191,316	-	-	183,262	-	191,316	8,054	-
		413,488	7,139	-	219,825	192,748	220,740	8,054	-
National School Lunch Program									
231960	10.555	449,715	12,698	-	75,417	386,996	62,719	-	-
240910		25,459	-	-	25,459	-	25,459	-	-
241960		378,702	-	-	364,543	-	378,702	14,159	-
Entitlement Commodities		51,419	-	-	51,419	-	51,419	-	-
Bonus Commodities		253	-	-	253	-	253	-	-
		905,548	12,698	-	517,091	386,996	518,552	14,159	-
Summer Food Service Program for Children									
230900	10.559	211,907	15,905	-	211,907	15,905	196,002	-	-
240900		48,180	-	-	-	-	48,180	48,180	-
		260,087	15,905	-	211,907	15,905	244,182	48,180	-
Total Child Nutrition Cluster		1,579,123	35,742	-	948,823	595,649	983,474	70,393	-

Holton Public Schools  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued**  
For the year ended June 30, 2024

Federal grantor/pass-through grantor/ program or cluster title/identifying number	Assistance Listing Number	Entitlement program or award amount	Accrued (unearned) revenue July 1, 2023	Adjustments and transfers	Cash or payments in kind received (cash basis)	Expenditures (accrual basis)		Accrued (unearned) revenue June 30, 2024	Passed through to subrecipients
						Prior year(s)	Current year		
<i>U.S. Department of Agriculture—Continued</i>									
Passed through Michigan Department of Education—Continued									
Team Nutrition Grants 222220 TN22FY22	10.574	\$ 8,000	\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000	\$ -	\$ -
Child Nutrition Discretionary Grants Limited Availability 221995 2023	10.579	9,660	9,660	-	9,660	9,660	-	-	-
221997 2024		10,000	-	-	10,000	-	10,000	-	-
		19,660	9,660	-	19,660	9,660	10,000	-	-
Child and Adult Care Food Program	10.558								
231920		28,786	312	-	2,933	26,165	2,621	-	-
232010		1,386	9	-	115	1,280	106	-	-
241920		26,026	-	-	21,283	-	26,026	4,743	-
242010		1,215	-	-	979	-	1,214	235	-
		57,413	321	-	25,310	27,445	29,967	4,978	-
Passed through Michigan Department of Education		1,681,972	45,723	-	1,019,569	632,754	1,049,217	75,371	-
Passed through County of Muskegon:									
Forest Service Schools and Roads Cluster Schools and Roads—Grants to States	10.665	3,277	-	-	3,277	-	3,277	-	-
Total U.S. Department of Agriculture		1,685,249	45,723	-	1,022,846	632,754	1,052,494	75,371	-
<i>U.S. Department of Health and Human Services</i>									
Passed through Muskegon Area Intermediate School District:									
Medicaid Cluster Medical Assistance Program 393	93.778	6,285	-	-	6,285	-	6,285	-	-
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ 5,214,078</b>	<b>\$ 221,094</b>	<b>\$ -</b>	<b>\$ 2,104,856</b>	<b>\$ 3,154,350</b>	<b>\$ 2,026,087</b>	<b>\$ 142,325</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

Holton Public Schools  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the year ended June 30, 2024

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or change in net position of the School District.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The School District is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Management has utilized the Michigan Department of Education NexSys Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.
4. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2024

Governmental Funds financial statements

General Fund	\$ 976,870	
Other governmental funds (includes Food Service Fund)	1,049,217	\$ 2,026,087

Expenditures per single audit report

Schedule of Expenditures of Federal Awards		<b>\$2,026,087</b>
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Holton Public Schools  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the year ended June 30, 2024

**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

**A. Financial Statements**

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
2. Internal control over financial reporting:
  - Material weakness(es) identified? \_\_\_\_\_ yes   X   no
  - Significant deficiency(ies) identified?   X   yes \_\_\_\_\_ none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

**B. Federal Awards**

1. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_ yes   X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported
2. Type of auditor’s report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes   X   no

4. Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<b>10.553, 10.555, 10.559</b>	<b>U.S. Department of Agriculture • Child Nutrition Cluster</b>

5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2024-001: Year End Closing Procedures**

*Criteria:* General ledger balances should be in agreement with detailed supporting documentation as of year-end.

*Condition:* General ledger balances were not in agreement with detailed supporting documentation as of year-end.

*Context:* A revenue for the Technology Fund was inadvertently recorded as a General Fund revenue and a special education expense for the year ended June 30, 2024 was inadvertently recorded in the subsequent fiscal year.

*Effect:* The School Districts’ revenues were understated in the Technology Fund and the General Fund results of operations were overstated.

*Cause:* The adjustments necessary to have the general ledger balances be in agreement with supporting documentation were not all recorded.

Holton Public Schools  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued**  
For the year ended June 30, 2024

**SECTION II – FINANCIAL STATEMENT FINDINGS—Continued**

**Finding 2024-001: Year End Closing Procedures—Continued**

*Repeat Finding:* This is not a repeat finding.

*Recommendation:* General ledger balances should be reconciled and adjusted to the underlying support.

*Views of Responsible Officials:* The School District agrees with the finding. The School District continues to implement better procedures to improve year-end closing procedures and to ensure that general ledger balances are in agreement with detailed supporting documentation by June 30, 2025.

**Finding 2024-002: Segregation of Duties Within Accounting Department**

*Criteria or Specific Requirement:* The School District should have adequate segregation of duties and/or mitigating controls in the Business Office. The basic premise is that no one employee should have access to both physical assets and the related accounting records or access to all phases of a transaction.

*Condition:* During our review of internal controls in the Business Office, we noted that the Business Manager has access to nearly all aspects of transactions that occur within the financial system. While the School District has taken certain steps to mitigate the situation, there are not enough resources, both in personnel and funding, to overcome the condition.

*Context:* The School District has this condition primarily due to the size of School District's staff and the lack of financial resources to fund additional staff to further segregate duties.

*Effect:* The lack of sufficient segregation of duties and internal controls could allow errors or misappropriation of funds to go undetected.

*Cause:* Small organizations with limited resources and personnel inherently have difficulty in establishing and maintaining an accounting system with strong internal accounting control.

*Repeat Finding:* A similar finding was reported during the single audit for the year ended June 30, 2023.

*Recommendation:* The School District should continue adding effective mitigating controls to those implemented in the past and look for additional steps that could be taken to separate incompatible duties. Often, one of the most effective approaches is the expansion of documented approval of transactions and reconciliations by someone outside the Business Office staff.

*Views of Responsible Officials:* The School District agrees with the finding. The School District has implemented mitigating controls to the extent possible given its limited resources.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were *no* findings reported in relation to major federal awards during the single audit for the year ended June 30, 2024.

**CLIENT DOCUMENTS**



HOLTON PUBLIC SCHOOLS  
“Rooted in Community, Reaching for Excellence”

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 12, 2024

Michigan Department of Education  
Lansing, Michigan

Holton Public Schools respectfully submits the following summary of the current status of prior audit findings contained in the single audit report for the year ended June 30, 2023 dated September 27, 2023.

### SECTION II – FINANCIAL STATEMENT FINDINGS

#### **Finding 2023-001: Segregation of Duties Within Accounting Department**

*Recommendation:* The School District should continue adding effective mitigating controls to those implemented in the past and look for additional steps that could be taken to separate incompatible duties. Often, one of the most effective approaches is the expansion of documented approval of transactions and reconciliations by someone outside the Business Office staff.

*Current Status:* The Superintendent and accounting department have implemented the above mitigating controls and accept the risk of not implementing other controls.

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were *no* findings reported in relation to major federal award programs during the single audit for the year ended June 30, 2023.

Sincerely,

Adam Bayne  
Superintendent



HOLTON PUBLIC SCHOOLS  
“Rooted in Community, Reaching for Excellence”

**CORRECTIVE ACTION PLAN**

September 12, 2024

Michigan Department of Education  
Lansing, Michigan

Holton Public Schools respectfully submits the following Corrective Action Plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.  
907 S. State Street  
Hart, Michigan 49420

Audit period: June 30, 2024

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2024 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2024-001: Year End Closing Procedures**

*Recommendation:* General ledger balances should be reconciled and adjusted to the underlying support on the School District’s general ledger system at year-end.

*Action Taken:* The business manager will utilize a year-end check list to verify all general ledger balances are reconciled and adjusted to underlying support. This will include identifying unrecorded accounts payable at year end and verifying revenues are recorded in the proper fund.

*Responsible Person and Anticipated Completion Date:* The Business Manager will be responsible for implementing the check list prior to the audit for June 30, 2025.

**Finding 2024-002: Segregation of Duties Within Accounting Department**

*Recommendation:* The School District should continue adding effective mitigating controls to those implemented in the past and look for additional steps that could be taken to separate incompatible duties. Often, one of the most effective approaches is the expansion of documented approval of transactions and reconciliations by someone outside the Business Office staff.



**SECTION II – FINANCIAL STATEMENT FINDINGS—Continued**

**Finding 2024-002: Segregation of Duties Within Accounting Department—Continued**

*Action Taken:* Due to the limited resources, the School District is unable to segregate duties in the Accounting Department. The District has implemented the following mitigating controls:

1. Completed bank reconciliations are reviewed by the Administrative Assistant to the Superintendent.
2. Receipts are logged by the Administrative Assistant prior to being forwarded to the Business Manager.
3. All invoices are approved by an administrator prior to issuance of payment by the Business Manager.

*Current Status:* The Superintendent and accounting department have implemented the above mitigating controls and accept the risk of not implementing other controls.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were *no* findings reported in relation to major federal award programs during the single audit for the year ended June 30, 2024.

If the Michigan Department of Education has questions regarding this plan, please call Adam Bayne at (231) 821-1702.

Sincerely,



Adam Bayne  
Superintendent